
HOUSE BILL 3164

State of Washington 60th Legislature 2008 Regular Session

By Representatives Kelley, Green, VanDeWege, Simpson, Morrell, Darneille, McIntire, Lias, Kenney, Santos, and Ormsby

Read first time 01/23/08. Referred to Committee on Insurance, Financial Services & Consumer Protection.

1 AN ACT Relating to the creation of the homeownership security
2 account to allow private organizations to contribute funds in support
3 of financial education, and homeownership counseling and education; and
4 adding new sections to chapter 43.320 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.320 RCW
7 to read as follows:

8 The homeownership security account is hereby created in the custody
9 of the state treasurer. Expenditures from the account may be used
10 solely for the purposes of preventing predatory lending and providing
11 homeownership education, information, and counseling. Only the
12 director of the department of financial institutions or the director's
13 designee may authorize expenditures from the account. The account is
14 subject to allotment procedures under chapter 43.88 RCW, but an
15 appropriation is not required for expenditures.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.320 RCW
17 to read as follows:

18 The director of financial institutions or the director's designee

1 may provide funds from the account for the establishment,
2 administration, and implementation of financial literacy and education
3 programs, including but not limited to:

4 (1) Education and outreach programs that assist Washington citizens
5 of all ages in understanding saving, investing, budgeting, and other
6 skills necessary to obtain individual financial independence, fiscal
7 responsibility, and financial management skills.

8 (2) Unbiased information and counseling regarding residential
9 mortgage transactions, nontraditional or subprime mortgages, predatory
10 lending practices, gap financing and down payment assistance programs,
11 or other financial products or practices in the marketplace relating to
12 homeownership.

13 The department may deliver the programs in subsections (1) and (2)
14 of this section using grants, contracts, or interagency agreements with
15 state and local governments and other nongovernmental organizations as
16 necessary. The department may coordinate these programs with ongoing
17 efforts by other public and private nonprofit entities to maximize the
18 programs' effectiveness.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.320 RCW
20 to read as follows:

21 Contributions from either private or nonprofit organizations may be
22 deposited in the homeownership security account created in section 1 of
23 this act. More than fifty percent of the funds from this account must
24 be used to assist low and moderate-income persons defined to be at or
25 below eighty percent of county median income. Private contributors to
26 this account may request that the department provide an accounting of
27 their annual contributions to the account for the purpose of reporting
28 the contributions to government and regulatory agencies, or for other
29 purposes as required by the contributing organization.

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